



**DEPARTMENT OF AGRICULTURE**

**Agricultural Marketing Service**

**7 CFR Parts 989 and 999**

**[Doc. No. AMS-SC-16-0065; SC16-989-2 FR]**

**Raisins Produced from Grapes Grown in California and  
Imported Raisins; Removal of Language**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** This rule removes language from the California raisin marketing order's minimum grade standards and the import regulations' grade and size requirements. The marketing order regulates the handling of raisins produced from grapes grown in California, and is administered locally by the Raisin Administrative Committee (committee). The change to the import regulations is required under section 8e of the Agricultural Marketing Agreement Act of 1937, as amended. Recently, the U.S. Standards for Grades of Processed Raisins (standards) were amended to remove the word "midget." This rule makes the marketing order and the import regulations consistent with the amended standards.

**DATES:** Effective November 25, 2016.

**FOR FURTHER INFORMATION CONTACT:** Maria Stobbe, Marketing Specialist, or Jeffrey Smutny, Regional Director, California Marketing Field Office, Marketing Order and Agreement

Division, Specialty Crops Program, AMS, USDA; Telephone:  
(559) 487-5901, Fax: (559) 487-5906, or E-mail:  
Maria.Stobbe@ams.usda.gov or Jeffrey.Smutny@ams.usda.gov.

Small businesses may request information on complying with this regulation by contacting Richard Lower, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237; Telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: Richard.Lower@ams.usda.gov.

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement and Order No. 989, both as amended (7 CFR part 989), regulating the handling of raisins produced from grapes grown in California, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

This rule is also issued under section 8e of the Act, which provides that whenever certain specified commodities, including raisins, are regulated under a Federal marketing order, imports of these commodities into the United States are prohibited unless they meet the same or comparable grade, size, quality, or maturity requirements as those in effect for the domestically-produced commodities.

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Orders 12866, 13563, and 13175.

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing, USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

There are no administrative procedures which must be exhausted prior to any judicial challenge to the provisions of import regulations issued under section 8e of the Act.

This rule removes the term "midget" from § 989.702(a) of the order and § 999.300(b)(1) of the import regulations. This will make the order and the import regulations consistent with the recent changes to the standards.

The committee unanimously recommended that the term "midget" be removed from the order at a meeting on June 26, 2014. At a subsequent meeting on August 14, 2014, the committee also unanimously recommended that the word "midget" be removed from the standards. As required under the Act, the import regulations must be consistent with the changes to the order. In this instance, the order must also be consistent with changes to the standards.

Paragraph (a) of section 989.702 of the order specifies minimum grade standards for packed Natural (sun-dried) Seedless (NS) raisins, requiring that "small (midget)" sizes of raisins shall meet U. S. Grade C tolerances with respect to pieces of stem, and underdeveloped and substandard raisins. The word "midget" is redundant with the term "small," and its removal is insignificant.

Pursuant to the recommendation of the committee and consistent with the recent amendment of the standards, the word "midget" is removed from the order language.

The committee's recommendations to delete the word "midget" from the order and the standards necessitates a corresponding change to the import requirements.

Under the raisin import regulations, in paragraph (b)(1) of section 999.300, raisins imported into the United States are required to meet the same or comparable grade, size, quality, or maturity requirements as those in effect for the domestically-produced commodities, when such commodities are regulated under an order. With the removal of the word "midget" from both the standards and the order, removal of "midget" is required under the import regulations.

Removal of the word "midget" should not impact the application of the order or the import regulations, since the word "midget" is redundant and appears in parentheses after the word "small." Thus, removing the word "midget" has no effect on interpretation of the order or the import regulations; and, therefore, has no effect on raisin importers.

The final rule removing the word "midget" from the standards was published in the **Federal Register** on June 23, 2016 (81 FR 40779). Thus, this rule will make the order and the import regulations consistent with the standards, as recently revised.

## **Final Regulatory Flexibility Analysis**

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are approximately 3,000 producers of California raisins and approximately 24 handlers subject to regulation under the marketing order. There are approximately 52 importers of raisins as well.

The Small Business Administration defines small agricultural producers as those having annual receipts less than \$750,000, and defines small agricultural service firms, such as handlers and importers, as those whose annual receipts are less than \$7,500,000. (13 CFR 121.201.)

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marketing order. The Small Business Administration defines small agricultural producers as those having annual receipts less than \$750,000, and defines small agricultural service firms, such as handlers and importers, as those whose annual receipts are less than \$7,500,000 (13 CFR 121.201).

Based on shipment data and other information provided by the committee, most producers and approximately 13 handlers of California raisins may be classified as small entities. This action should not have any impact on handlers' or growers' benefits or costs.

There is very limited information on the 52 importers. This action should not have any impact on importers' costs.

This rule removes the word "midget" from the order regulations in section 989.702(a) and from the import regulations in section 999.300(b)(1), bringing the order and the import regulations into conformance with the recent amendment to the standards.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the order's information collection requirements have been previously approved by the Office of Management and Budget (OMB) and assigned OMB No. 0581-0178, "Vegetable and Specialty Crops." No changes in those requirements as a result of this action are necessary.

Should any changes become necessary, they would be submitted to OMB for approval.

This rule will not impose any additional reporting or recordkeeping requirements on either large or small raisin handlers or on raisin importers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies. In addition, USDA has not identified any relevant Federal rules that duplicate, overlap or conflict with this final rule.

AMS is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Further, the committee's meetings were widely publicized throughout the California raisin industry and all interested persons were invited to attend the meetings and encouraged to participate in committee deliberations on all issues. Like all committee meetings, the June 26, 2014, and August 14, 2014, meetings were public meetings and all entities, both large and small, were encouraged to express their views on this issue.



A proposed rule was published in the **Federal Register** on September 16, 2016 (81 FR 63723). Copies of the rule were provided to California raisin handlers and committee members. Finally, the rule was made available through the Internet by USDA and the Office of the Federal Register. A 30-day comment period ending October 17, 2016, was provided for interested persons to respond to the proposal. One supportive comment was received. Accordingly, no changes are being made to the rule.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/rules-regulations/moa/small-businesses>. Any questions about the compliance guide should be sent to Richard Lower at the previously-mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

In accordance with section 8e of the Act, the United States Trade Representative has concurred with this action.

After consideration of all relevant material presented, including the information and recommendation submitted by the committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because removal of the word "midget" should not impact the application of the order or the import regulations, since the word "midget" is redundant and appears in parentheses after the word "small." Thus, removing the word "midget" has no effect on interpretation of the order or the import regulations; and, therefore, has no effect on handlers or raisin importers. Further, handlers are aware of this rule, which was recommended at two public meetings. Also, a 30-day comment period was provided for in the proposed rule.

#### **List of Subjects**

##### **7 CFR Part 989**

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

##### **7 CFR Part 999**

Dates, Filberts, Food grades and standards, Imports, Nuts, Prunes, Raisins, Reporting and recordkeeping requirements, Walnuts.

For the reasons set forth in the preamble, 7 CFR parts 989 and 999 are amended as follows:

PART 989 – RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

1. The authority citation for 7 CFR part 989 continues to read as follows:

Authority: 7 U.S.C. 601-674.

§ 989.702 [Amended]

2. Paragraph (a) of § 989.702 is amended by removing "small (midget-sized)" and adding "small sized" in its place.

PART 999 - SPECIALTY CROPS; IMPORT REGULATIONS

3. The authority citation for 7 CFR part 999 continues to read as follows:

Authority: 7 U.S.C. 601-674.

4. Paragraph (b) (1) of § 999.300 is amended by removing " small (midget) sized" and adding "small sized" in its place.

Dated: November 18, 2016

Elanor Starmer  
Administrator  
Agricultural Marketing Service

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